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THE THEORY OF U.S. FOREIGN POLICY—II

THE EDITORS

DECLINE AND FALL

ARTHUR K. DAVIS

World Events

SCOTT NEARING

EDITORS . . . LEO HUBERMAN . . . PAUL M. SWEEZY

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NOTES FROM THE EDITORS

As we go to press, it is too soon to estimate the response of MR readers to this year's annual MR Associates appeal. But you know what *your* response has been or will be. We hope that it turns out to be both prompt and generous. What you contribute to the Associates keeps our attention off the printer's bills, where it does nobody any good, and on the proper tasks of a socialist magazine and publishing house where it belongs.

The book edition of *Cuba: Anatomy of a Revolution* is still selling quite well, and we are hoping for a fall upturn as students and teachers return to schools and colleges. Needless to say we need your help as advertisers and salesmen. The latest contract for a foreign edition we have signed is with the big French publishing house Editions du Seuil.

Speaking of Cuba, we are glad to be able to say that before this issue reaches you we (accompanied by Professor Paul Baran of Stanford) will be back on the island gathering information for an article intended to bring MR readers up to date on the development of the Cuban Revolution.

An Essay on Economic Growth and Planning by Maurice Dobb has at last been mailed out to those who sent in prepublication orders. We have set publication date for October 17, so there is still time to buy the book at the reduced rate of $2.25. Remember, however, that it is a technical economic essay which will be readily comprehensible only to those with a considerable amount of training in that discipline.

Following a rave review ("one of the indispensable books on this subject") by the well-known jazz critic Ralph J. Gleason, syndicated in some

(*continued on inside back cover*)

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THE THEORY OF U.S. FOREIGN POLICY—II

In last month's Review of the Month we posed a difficult and important question: how does it happen that a foreign policy which has been generating defeats for well over a decade, and at an accelerated pace in recent months, meets with no significant opposition in the American ruling class? How does it happen that there is no serious analysis of the causes of defeats, no proposals for any but the most superficial and essentially irrelevant changes? Instead, the remedy recommended by the leaders of both political parties can be summarized in the brief formula: more of the same. What is the explanation of this glaring paradox?

Our answer, reduced to its simplest terms, was that the purpose of foreign policy in the post-World War II period has been to promote the cold war and the arms race. The cold war and the arms race in turn have served to justify the creation of a large and growing public sector of the economy, which has been indispensable to the preservation of a viable capitalist system. *From this point of view,* foreign policy has been a great success, which accounts for the solid support it enjoys throughout the ruling class. The defeats abroad, on the other hand, have not as yet had important adverse effects on the domestic economy, hence have not touched the short-run private interests which *necessarily* dominate public policy in any private-property society. As long as this situation continues, there is no reason to expect either a reorientation of foreign policy or an interruption of the succession of defeats.

It is hardly likely, however, that America's world position can go on deteriorating indefinitely without serious consequences for the domestic economy. The questions which we must next attempt to answer, therefore, concern the timing and form which these consequences are likely to take. If we can find answers to these questions, we should be able to speculate more fruitfully on America's future course in world affairs.

First, a few words on a problem that has caused much alarm in recent months, especially among old-fashioned conser-

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vatives, namely, the persistent deficit in the United States balance of payments. During the entire decade of the 1950's, the United States paid out to the rest of the world an average of somewhere around one and a half billion dollars more a year than it took in. The payments have been for foreign goods and services (coffee from Brazil, transportation of American goods by British freighters); for investments in foreign countries (a new airplane factory in West Germany or oil well in Libya); and for economic and military aid to foreign governments. The receipts have come from sale of American goods and services and profits from foreign investments. The average deficit for the years 1951-1956 was only $1.2 billion, which was small enough not to cause much concern even to the most pessimistic, and 1957 actually showed a small surplus (the closing of the Suez Canal forced European countries to buy more than usual from America that year). But in 1958 and 1959, the deficit rose spectacularly to $3.4 billion and $4.1 billion respectively; and so far this year, despite a rise in exports (which is due at least in part to temporary factors), the deficit is running at an annual rate of approximately $3 billion. Most authorities seem agreed that in the absence of changes of a kind that do not now seem to be in the offing, a deficit of the order of $3 to $4 billion per annum must be expected.*

How are these deficits covered? In two ways: first, by the shipment of gold to foreign governments and central banks; and second, by foreigners building up their holdings of dollar bank balances and other kinds of liquid assets (e.g. government securities) in this country. As a result of a decade of deficits, United States monetary gold stocks have declined from about $22.5 billion in 1950 to just over $19 billion today, and foreign holdings of bank balances and other liquid assets have risen to a figure which some observers put as high as $23 billion. Since in theory these liquid assets can be converted into gold at any time, it follows that foreigners already have it in their power to wipe out America's gold reserve and to precipitate a sudden

* The figures used in this paragraph come from the Committee for Economic Development's study, *National Objectives and the Balance of Payments Problem*, February 1960, p. 9. They are not strictly comparable to those in the table on p. 324 below. Needless to say, the discrepancies are of no importance for the arguments advanced in this paper.

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monetary crisis in this country. Such a crisis would undoubtedly have serious consequences both domestically and internationally: like the European monetary crisis of 1931, it might trigger a *general* economic crisis throughout the capitalist world. Is this perhaps the form in which the deterioration of America's world position will make itself felt on the domestic economy and hence on the private interests of the United States ruling class?

Now, we do not deny the possibility of a monetary crisis of the type indicated, and it is almost certain that the process by which American ruling class interests suffer will involve the balance of payments in one way or another. And yet it seems to us that to view the problem as *primarily* one of disequilibrium in the balance of payments is superficial and misleading. More particularly, the current and prospective deficit in the United States balance of payments is not so much a reflection of the deterioration of America's world position as it is of the recovery of Western Europe and Japan from the devastation and bloodletting of World War II. During the first few years after the war, the capitalist world suffered from what was then called a "dollar shortage." Given the weakened state of the Western European (especially German) and Japanese economies, the United States was the major, and in some cases the only, source of supply of industrial products; every country wanted to buy more from the United States than it could pay for. Under these circumstances, dollars made available in the form of private investments or government grants quickly returned to this country in payment for goods and services. There was no question of a deficit (excess of payments over receipts) because every increase in payments was automatically accompanied by an increase in receipts.

This situation changed, and was bound to change, with the recovery of Western Europe and Japan as sources of industrial products. The United States kept on sending dollars abroad in the form of private investments and government grants, but not in growing volume. What changed was the use to which foreign recipients put these dollars. Whereas in the later 1940's, they rushed them all back to the United States to buy needed goods and services, later on they used a considerable proportion either to build up their gold and dollar reserves or to

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buy goods and services from rival sources of supply. In either case, there was a strong tendency for dollars to wind up either as gold or as liquid dollar assets in the hands of the industrialized countries of Western Europe and Japan. The story is succinctly told in a table worked up by Robert W. Stevens, formerly connected with the administration of the Marshall Plan in Europe and now an economist for Standard Oil Company of New Jersey.*

UNITED STATES BALANCE OF PAYMENTS, 1946-1959
(Billions of dollars at annual rates)

Annual Averages	*Net Receipts from Commercial Goods & Services*	*Net Payments*				*Transfers of Monetary Gold & Dollars*[a]
		Private Capital	*Military Expenditures*	*Govt Grants, Loans etc.*	*Total net payments*	
1946-49	7.9	—	0.6	6.2	6.8	+1.1
1950 to Suez[b]	3.7	0.7	2.1	2.5	5.3	—1.6
Suez[c]	8.6	2.0	3.1	2.5	7.6	+1.0
1958	4.8	2.4	3.4	2.4	8.2	—3.4
1959	2.3	0.9	3.2	1.9	6.0	—3.7

a. To the U.S. plus, from the U.S. minus
b. January 1950 through September 1956
c. October 1956 through September 1957

This table clearly shows that total net payments have displayed no particular trend one way or the other but that net receipts from sale of goods and services have declined drastically over the decade and a half period. As a result, of course, foreigners have built up their gold and dollar reserves. The counterpart of this table is another comparing United States exports with those of the other highly industrialized capitalist countries (next page).

From this table we can see that while United States exports expanded by 71 percent during the 1950's, those of the

* "New Problems for the United States in the World Economy," *Social Research*, Spring 1960, p. 7. We have omitted qualifying footnotes of primary interest to balance-of-payments specialists.

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rest of the developed capitalist world expanded by 136 percent.

EXPORTS, 1950-1959
(Billions of dollars)

Year	*United States*	*Western Europe[a] and Japan*
1950	10.3	16.4
1951	15.0	22.8
1952	15.2	22.7
1953	15.8	22.9
1954	15.1	25.2
1955	15.6	28.9
1956	19.1	31.9
1957	20.9	35.1
1958	17.9	35.7
1959	17.6	38.7

a. UK, W. Germany, France, Italy, Benelux
Source: International Monetary Fund, *International Financial Statistics*, August 1960

What this means is that by the end of the decade a large part of the dollars paid out by the United States, instead of returning to the United States to be spent here, were being used to purchase goods and services in Western Europe or Japan and were coming to rest in the form of increased gold and dollar holdings by those countries. This cannot be said, however, to reflect the failures of United States foreign policy which have characterized this period. On the contrary, and in a sense paradoxically, it may, quite legitimately, be said to reflect the one genuine success that American foreign policy has achieved in the postwar period. The main purpose of the Marshall Plan, and later of NATO and its associated military and economic assistance programs (and of similar policies vis-à-vis Japan), was clearly to put capitalism back on its feet in those countries where it had been traditionally strong and thus to prevent the United States from being isolated in a world rapidly going socialist. The salvage operation worked, and its natural consequence was a basic shift in the balance of economic strength within the capitalist world. It is this, and not the defeats which American policy has suffered in its dealings with the underdeveloped and

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socialist countries, which lies at the root of the current balance-of-payments problem.

This is not to deny, of course, that this problem harbors dangers for the American ruling class. We have already mentioned the possibility of a run on gold with a consequent monetary crisis. We can see now, however, that this is probably much less of a threat than the bare statistics seem to suggest, if only because the huge dollar assets which would have to be liquidated are mostly held by the developed capitalist countries. These countries have as much interest as the United States in avoiding an international monetary crisis, and it is reasonable to expect their governments to act in concert with Washington to keep short-term capital movements and gold flows within manageable bounds.

Still, no country can live indefinitely with balance-of-payments deficits as large as those now being incurred by the United States. Corrective measures are inevitable and in fact have already been initiated. Credits to foreign countries from the Development Loan Fund (a governmental agency designed to make to underdeveloped countries loans of a kind that are not attractive to private capital) are now "tied" to purchases from the United States; American diplomacy is energetically seeking the lowering of barriers to the import of goods from the United States; and Washington is stepping up the provision of various types of "services" (some amounting to thinly disguised subsidies) to American exporters. In addition, Washington is trying to persuade the other advanced industrial countries to pay a larger share of the military expenses of the anti-Communist alliance, and to increase their economic assistance grants to the underdeveloped countries. If these measures are not enough, further steps will doubtless be taken, possibly ranging from open subsidization of exports through restrictions on imports to devaluation of the dollar.

All of this implies sharpened imperialist rivalries and could even lead to full-scale economic warfare between the United States and its major capitalist allies. Such rivalries and economic warfare, however, are nothing new, nor is there any reason to assume that the United States would necessarily come off second best or that the struggle would be pushed to dangerous ex-

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tremes. If *these* were the only international problems and dangers facing the American ruling class it could count itself fortunate indeed.

But they are not, of course, and here we come to what seems to us to be the heart of the matter.

From colonial days onward, the United States economy has been enmeshed in a complex network of international relations: the rapid growth and (relative) prosperity enjoyed by this country have always depended not only on its incomparably rich heritage of natural resources but also on its having access on favorable terms to foreign markets and sources of supply, and on the availability (in the earlier period) of foreign capital and (in the later period) of outlets for surplus domestic capital. Moreover, and this is a point of the greatest importance, it has always been the biggest, the wealthiest, the most advanced, the most self-conscious elements of the business community which have been most closely associated with and dependent upon the world economy. The great merchants of the eighteenth and nineteenth centuries, the financial tycoons of the late nineteenth and early twentieth centuries, the giant corporations of our own day have all been up to their ears in foreign business, and at every decisive turning point it has been their interests that in the final analysis have determined America's course in world affairs.

Now, the involvement in and dependence on the world economy of the decisive elements of American Big Business, far from declining, have grown enormously in the decade and a half since World War II. To document this would be a big job: here a few illustrative facts will have to suffice.

In 1950, long-term private investment abroad totaled $17.5 billion. This was the result of roughly a half century of foreign investment activity. By 1958 the amount had more than doubled to $37.4 billion.* Most of this, of course, is owned by the few hundred giant corporations which dominate the domestic economy.

In terms of assets, the oil industry is the largest in the United States. It counts more billion-dollar corporations than all other industrial fields combined. As of December 31, 1959,

* Committee for Economic Development, *op. cit.*, Appendix.

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the 32 companies which the Chase Manhattan Bank regards as comprising the industry reported depreciated assets of $34.8 billion dollars. Of this amount $8.3 billion, or 24 percent of the total, were foreign assets. But this understates the importance of foreign investment to the oil industry. According to Chase Manhattan Bank calculations, earnings on operations in the United States were 8.5 percent while the foreign figure at 13.8 percent was nearly two thirds higher. But for the handful of super-giants, known as "international companies," which dominate the industry, even this understates the importance of foreign operations. These super-giants earned 63 percent of the industry's 1959 net income, and *more than half (54.6 percent) of their profits came from operations outside the United States.**

The oil industry, of course, is more heavily involved in foreign operations than most American industries. But even the super-giant "internationals" are by no means unique: they are merely the leading species of a large and growing genus. In this connection, we can do no better than quote at some length from the observations of a keen and well-informed observer, David E. Lilienthal, formerly head of the Atomic Energy Commission and before that of TVA, and now Chairman of Development and Resources Corporation which, as its name implies, is engaged in large-scale operations in a number of underdeveloped countries. In a paper prepared for a symposium held last April at the Graduate School of Industrial Administration of Carnegie Tech (later published by Development and Resources Corporation, 50 Broadway, New York, under the title "The Multinational Corporation"), Mr. Lilienthal had the following to say:

> Many large and even medium-sized American corporations are already operating in other countries, in one way or another. By "operating" I do not mean merely that they have a financial stake, like a portfolio investment, in business in other countries than their own; nor do I refer only to sales agencies or distributors. I have particularly in mind industrial or commercial operations abroad which directly involve managerial responsibility.

* All figures in this paragraph from *Petroleum Industry 1959* compiled and published by the Petroleum Department of the Chase Manhattan Bank.

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Such corporations—which have their home in one country but which operate and live under the laws and customs of other countries as well—I would like to define here as *multinational corporations.*

The business activity of these multinational corporations has proliferated enormously, particularly in the last decade. It is almost certain to increase even more rapidly in the future, not only for American firms but also for those in almost all of the other industrialized nations. Events may, and almost certainly will, change the rate and pace of the growth of multinational corporate business; but I think that such corporations—both American and others—will increase in number, size and importance. Being responsible (or sharing responsibility) for operating industrial undertakings in a number of foreign countries will, I would guess, be as common as it is today for large American manufacturing enterprises to operate in many states of the Union.

This is the enticing prospect that American Big Business now sees before it. In the decade and a half since World War II, foreign investment and operations have proved to be enormously profitable and attractive, not only in the purely financial sense but also in terms of the perquisites, privileges, and power enjoyed by the officers and representatives of the great multinational corporations. Clearly, in the eyes of this corporate elite, the future holds out the promise of almost limitless further expansion.

There is, however, one cloud on the horizon. Foreign investment is possible, and multinational corporations can operate, only in the so-called "free world," that is to say in those countries that are prepared to accommodate what Mr. Lilienthal calls their laws and customs to the requirements of profit-seeking business. Non-free-world countries, which means countries that genuinely plan their economies, are of course willing to buy from and sell to American corporations. Such traffic, however, as the history of the whole period since 1917 amply demonstrates, is neither very profitable nor very attractive to American Big Business. In prosperous times it is scorned, while in periods of depression it is accepted without enthusiasm and merely as a temporary stopgap. The cloud on the horizon, casting a warning shadow over the bright prospects otherwise thought to lie ahead

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of the capitalist world's multinational corporations, is simply that more and more countries are deserting or threatening to desert the "free world" and to embark on the path of national and international economic planning. And the great weakness of United States foreign policy is that by promoting the cold war and the arms race and trying to dragoon everyone into a global anti-Communist alliance, it is accelerating this process to an historically dizzying pace.

It is of course true that, like imperialist rivalries and economic warfare, defections from the "free world" are nothing new. They began in 1917 with the Bolshevik Revolution in Russia and continued with the socialization of the economies of Eastern Europe immediately after World War II and the triumph of the Chinese Revolution in 1949. Each one of these defections was bitterly fought by the advanced capitalist countries, and the American ruling class still refuses to recognize the new regime in China and has not even yet given up all hope of overthrowing it. Nevertheless, from an economic point of view the loss of Russia and Eastern Europe and China proved to be much less serious than might have been expected. In retrospect, we can see that there were two reasons for this. First, the advanced capitalist countries had not yet gone very far in developing their investments and operations in these areas: this holds especially for the United States. And second, even after all the defections, the "free world"—comprising the Western Hemisphere, Western and Central Europe, the entire continent of Africa, the Middle East, Southern and Southeastern Asia, and most of the islands of the globe—was still plenty big enough to allow full scope for a long time to come to the expansionist proclivities of multinational capitalism. If the division of the world arrived at by 1950 could have been perpetuated, the bright future depicted by Mr. Lilienthal could very possibly have become a reality. With its domestic economy stabilized by a vast and growing war-related public sector and four fifths of the globe open to it, American Big Business might be pardoned if it considered this to be, if not the best, at any rate the next-to-best of all possible worlds.

But it is precisely this division of the world which is now breaking down, and not in some unimportant border regions

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but in areas which are absolutely vital to the economic health of the "free world."

The process started several years ago in the Middle East with the Egyptian Revolution, the formation of the United Arab Republic and its adoption of a neutralist foreign policy, and the Iraqi Revolution in 1958. However, since then there has been an uneasy pause in the Middle East. Even the UAR and Iraq have taken only the first tentative steps to withdraw from the "free world": the great multinational oil companies are still doing business throughout the region and still extracting fabulous profits from it. A major defection is undoubtedly in the making in the Middle East, but it has not yet occurred.

Meanwhile, the spotlight has shifted to two equally crucial areas, Africa and Latin America, and it is in these that really decisive changes may now be taking place. Since the beginning of 1959 nearly a score of new nations have emerged in Africa, and there are more to come. And already the politically most advanced of them, headed by Guinea under the brilliant leadership of Sékou Touré, are taking the road to planned, socialized economies. The process has perhaps not gone very far yet—though a victory for the forces of unity and progress in the present bitter struggle in the Congo might change this almost overnight—but the beginnings of a trend are pretty clearly observable.*

Matters have gone even further in Latin America where the

* The break-up of the Mali Federation appears to be involved in this trend. Sudan which was the larger of the two partners in the Federation (the other being Senegal) is moving rapidly toward a planned economy under the strong leadership of Modibo Keita and the well-organized Sudanese Union party which he heads. The French, operating closely with their protegé President Houphouet-Boigny of the Ivory Coast, are trying to stymie this Sudanese move to the Left and have therefore encouraged and recognized the Senegalese pull-out from the Mali Federation. The next step will apparently be to promote a new association of West African states intended to isolate and outweigh both Guinea and Sudan. The actual effect, however, may be to produce a union of Guinea and Sudan which, by demonstrating the enormous advantages of genuine economic planning, may well prove to have an irresistible attraction for all the peoples of West Africa. The stakes in the complicated struggle now under way in West Africa are very high indeed, though even the most conscientious reader of the American press, if that were his sole source of information, could hardly be aware of it.

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Cuban Revolution, taking place in one of the more advanced of the world's underdeveloped countries, constitutes a truly formidable breach in what United States Big Business has traditionally regarded as its own private Western Hemispheric preserve. Moreover, hardly anyone, and least of all the American corporate elite, has any doubt that there are powerful elements in every Latin American country which would like to emulate the Cuban example. There may be delays and setbacks, of course, but here as in Africa the trend is there for all to see.

But Cuba has an added significance. We have already noted that earlier defections from the "free world" have not been particularly painful to American Big Business. In each case, the degree of involvement was limited, and alternative fields into which to expand were readily available. This has also been true of the still relatively small defections that have so far taken place in Africa (though again an exception may soon have to be made for the Congo). But in Cuba the pinch is unmistakably beginning to hurt. A rich export market which used to amount to well over a half a billion dollars a year has rapidly dwindled and for the entire year 1960 will probably come to little more than a third of that figure. American investments in Cuba, formerly valued at close to a billion dollars (approximately one tenth of United States investments in Latin America as a whole) and for the most part yielding extraordinarily high rates of return, have been nearly all nationalized: given the present state of Cuban-American relations, the prospect that United States investors will receive substantial compensation seems slight. And, perhaps most ominous of all, events in Cuba have already served to slow down the flow of capital to all of Latin America. Said Under Secretary of State Douglas Dillon at the economic conference of the Organization of American States at Bogotá on September 6th:

> Private capital will, of course, go only where it is welcome and where it has the expectation of fair and equitable treatment. Arbitrary and punitive actions against foreign private enterprises, such as we have witnessed in one American country in recent months, discourage the private investment community not only in the country which takes such actions but elsewhere as well.

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It is to be hoped that the noticeable decrease in foreign private investment in Latin America resulting from the past year's events in Cuba will be of short duration. . . . (*New York Times,* September 7.)

(Mr. Dillon gave no figures on the amount of the decline, but the following day, Dr. Regino Boti, Cuban Minister of Economy, is reported (*New York Times,* September 8) to have told the conference that the flow of United States investments to Latin America declined from $945 million in 1958 to $644 million in 1959—and this was before the nationalization program in Cuba got into high gear.)

Such, obviously, is Mr. Dillon's hope. The realistic prospect is something else again. And, as we pointed out last month, United States foreign policy is working overtime to promote and hasten the defection of ever more areas from the happy hunting ground of the "free world."

So far these defections have only just begun to hurt. From now on they will undoubtedly hurt, more and more, by constricting the vital living space of the multinational corporations which have become increasingly the decisive factor in the economic and political life of this, the most advanced capitalist nation. In what ways this may or may not affect the country's course in world affairs will be the subject of the third and final installment of this essay. (September 15, 1960)

A REQUEST TO MR READERS

We have received a request from England for help in compiling a list of basic books indispensable to the education of an internationally minded socialist. The list should be designed to be particularly valuable for young people just coming to the movement.

This strikes us as an important project, and we would like to enlist the aid of MR readers. We invite all of you to send us the titles (and authors) of the TEN books that were most important to your own socialist education. Include a brief note telling why each book chosen was important to you.

From your replies we will work up a list such as our English friend wants, and we will publish it in a future issue of MR.

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DECLINE AND FALL

BY ARTHUR K. DAVIS

However stifling the policies of the United States since World War II, American progressives have assumed that some bright day, sooner or later, these dreary blunderings must come to an end. Then this nightmarish old regime will give way to a brave new era, and a rejuvenated America will resume its place in the forward march of civilization. Socialism perchance will displace capitalism. Just how this great transition will take place evokes bitter arguments. But that it will somehow occur has seldom been seriously doubted. Long-run optimism has been the common premise of the contending splinters on the American Left.

Seen from afar, the grounds for that optimism look pretty shaky. It is entirely possible that the United States may be unable to generate enough creativity to get out of its present ruts and to set itself a new course. The menace of hydrogen war is a symptom rather than the cause of the sterility that has crept up on American society in recent years.

What are the reasons for doubting the capacity of the United States to free itself from its present straitjacket and to solve its problems constructively?

Progress comes from oppositions. It is made possible, though not necessarily certain, by the emergence of incompatible social conditions and group aspirations. Eras of progressive social development seem to require, at least in their critical initial phases, the confrontation *and* resolution of decisive oppositions among peoples or classes. From the clash of thesis and antithesis comes a new synthesis—if circumstances are favorable—and this may become the basis for a new epoch of more gradual social evolution.

But in the United States today there is precious little opposition to the domestic and foreign policies of the ruling circles.

Formerly a professor of sociology at several American universities, Arthur Davis is now working in Canada.

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No important faction has yet challenged the cold war. The phony principle of anti-Communism is still the sacred cow of American politics.

By contrast, an organized mass movement committed to ending the cold war, to peaceful coexistence abroad and to renewed social reforms at home—that sort of movement would clash head-on with current American policies.

This is not to say that the American scene is one of harmony. Nasty conflicts chronically flare up among competing business groups, farmers, labor unions, and various minorities. The overriding opposition between capital and organized labor is one of two or three major dynamic forces in American life. But these struggles are waged for bigger shares of pie. They do not call into question the righteousness of the system by which the pie is baked.

For instance, the slogan of Negro movements like the National Association for the Advancement of Colored People has been "Count us in," not "Change the system." The rising Negro bourgeoisie, according to Frazier, has no quarrel whatever with the American way of life, aside from its discriminatory aspects. If Frazier's acid portrait is true, large sections of the black bourgeoisie delude themselves with conspicuous consumption and sham achievements which for pure hokum surpass the white bourgeois standards they ape. The new Negro middle class wants in at the head table. Nothing more.

And was this not also true of the right-wing movement called McCarthyism? This motley collection of Texas oil kings, up-and-coming but still insecure Irish and German groups, and other frustrated social climbers used anti-Communism as a club against the upper-class Eastern aristocracy. When McCarthy rashly took on key figures in the Eisenhower administration, which speaks primarily for the bluechip elements of the Eastern oligarchy, then his wings had to be clipped. McCarthyism, wrote Viereck, with more than his customary perception, "is the revenge of the noses that for twenty years of fancy parties were pressed against the outside window panes."

The main competing interest groups in the United States have a common slogan—"Me too!" As for really fundamental oppositions with mass followings—there aren't any.

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Nevertheless, beneath the surface there are great pressures building up for change in the United States. Abroad, United States foreign policy is in a hopeless impasse. The rebirth of Russia and China and their successful transitions to socialism, the advancing rebellion of colonial people against fading Western imperialisms—these irresistible movements, the most decisive of our time, the United States quixotically resists. Leading an inherently unstable coalition of fossilized puppets on the one hand, and of capitalist powers with acutely divisive interests on the other; and seeking blindly to negate the chief affirmative tides of the age, American foreign policy, even in Latin America, seems fated to pass from one strategic defeat to another.

At home the pressures for change are no less massive than those from abroad. The American economy leans heavily on war spending and other forms of systematic waste. So great is the expanding productivity of this glittering economic machine that its distributive channels are periodically inadequate to accommodate the flow of its goods and services. Without waste it would collapse. And the amount of waste, even on today's colossal scale, is not always sufficient.

The looming crisis of the cities seems almost enough by itself to promote revolutionary alterations in the national structure. Faced with rising costs and demands for new services, straitjacketed by archaic financing and administration, American cities are approaching the brink. They need money, streamlined management, coordinated highway and mass transit systems, vast housing and redevelopment programs. Schools, universities, and health services need overhauling and expansion. No reasonable authority disputes these points. Never has the country been better able to pay for massive improvements. Yet the United States is merely nibbling around the fringes of most of its urban problems.

This paradox of the cities' deepening financial crisis in the face of a steadily growing national income strongly suggests that there is something basically wrong with American society. Most Americans live in cities or in suburbs. But cities and other local governments are legal creatures of the states, which are dominated by gerrymandered rural minorities. For funds, cities

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must depend chiefly on the obsolete real estate tax and on state grants. Urban financial reform requires a reconstruction, not simply of local taxation, but of the entire apparatus of federal, state, and local public finance. Regressive property and sales taxes need to be largely replaced by progressive personal and corporation income taxes, federally collected, then allocated in part to local governments for spending.

Inseparable from the financial problem, and just as acute, is the administrative crisis. There are about 100,000 unstandardized, uncoordinated, overlapping, inefficient governmental units—school and tax districts, cities and towns, counties, special authorities, and so on. Many state lines are irrational. Needed are two flexible types of local government: metropolitan areas consisting of a central city and its satellites, and enlarged rural counties. These should be grouped, not in states, but in a few great regional authorities—like the Tennessee Valley Authority, only with more powers and functions. At the top should be a streamlined national government.

The present divisions of powers between the federal and state governments, and between public and private interests, are embalmed in the federal Constitution, adopted in 1789. It is hard to see how the American financial and administrative tangle can be straightened out without writing a new Constitution. How else can political structures and boundaries be revised on the necessary scale? How otherwise can the key powers and functions be transferred from the private to the public sector of the economy? The great questions which confront the United States cannot be resolved, or even faced, except in the framework of a nationally planned—and planning—social order.

Beneath its lush exterior, the American social system is like an engine out of whack, gradually beating itself to pieces. Its imbalances have become so overdeveloped that efforts to repair it along traditional lines may upset it still more. A crash program in education, for example, would cast new burdens on the already archaic public-finance machinery. Piecemeal reform, exalted by the liberals, may actually worsen the situation as a whole.

In view of these mounting foreign and domestic crises, why are there no basic oppositions in the United States?

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Chiefly, I suggest, because of the overdevelopment of American capitalism.

American society unfolded in relative isolation during the nineteenth century. It waxed great on the limitless wealth of a virgin continent. It grew without competition from earlier social traditions. There was nothing to compare with Europe's carryovers from pre-industrial feudalism. There were only the Indians—primitive hunters and neolithic cultivators, easily brushed aside.

Since the founding of the republic, significant oppositions have appeared only twice in American history. The first was the struggle for the West waged by the agrarian capitalism of the South and the rising commercial-industrial capitalism of the North. This epic contest was settled by the Civil War, 1861-65. The second, never concluded, consisted of the various farm and labor movements which appeared in response to the industrializing boom that followed the Civil War. Let us briefly consider each.

Soon after independence, a picture of the United States as a westward-moving nation began to take shape. Political leaders gave substance to that image. Writers gave it voice.

At first the popular conception of the western utopia was agrarian. Would the West be exploited by large slave-labor plantations or by small freeholds? Two variants of capitalism, both of which had to expand or perish, contended for the mastery of the West. For three generations the southern oligarchy successfully dominated both the domestic and foreign policies of the United States. As wasteful cultivation exhausted the soil of the old South, new lands had to be acquired in the West, while the older plantations turned to breeding slaves for the new estates. Continued southern control of the federal Senate depended upon increasing the number of slave states. This could be done in two ways: organizing new slave states in the American West, and stealing foreign territory—from Mexico, for example, in 1848.

The interests of the more populous commercial and industrial capitalism of the North demanded the expansion of markets and raw materials by new western settlements based on free labor. With the Republican Party as its vehicle, an alliance of

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the agrarian-commercial Northwest and the commercial-industrial Northeast finally won national power—legally—in the election of 1860. Civil war was then precipitated by the South, just as all other great modern civil wars have been started by discredited Old Regimes. No room for compromise remained. One social system could expand only by restricting the other, and neither system could survive without expanding.

The issues and dynamics of the Civil War were perceived most clearly by a special London correspondent of the *New York Tribune,* which spoke in the 1850's for the radical Northern bourgeoisie. That correspondent was Karl Marx, whose stunning *contemporary* insights into that titanic conflict have stood up far better than those of most later historians.

The second massive opposition in the history of the American Republic began to develop with the industrial boom after the Civil War. As industrial capitalism triumphantly spanned the continent, class conflicts sharpened. Epic labor battles broke out. Agrarian revolts flared. The first seeds of modern socialism took root. By the end of the century, elements of various farm, labor, and other groups were taking up socialist positions.

The beginnings of a mass socialist movement were unmistakable. A socialist newspaper, *The Appeal to Reason,* reached a circulation of 600,000, with special issues running in the millions; Socialists were elected to local offices; Gene Debs running for President in 1912 got 6.2 percent of the popular vote—the best showing a professing socialist has ever made in an American presidential election.

Until World War I, the American economy was running generally true to the course that Marx, a half century earlier, had foreseen as normal for capitalism. Capitalist conditions of production, he had said, would produce a disciplined and eventually anti-capitalistic labor force, which would be driven to reject capitalism and adopt socialism.

Still another symptom of intensifying crisis became evident around the turn of the century. This was the resurgence of imperialism. In the years before the Civil War, as conflict between the rival capitalisms came to a head, there had been aggressive ventures abroad—the steal from Mexico in 1848, fili-

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bustering in the Caribbean area, intrigue in the Pacific, and a "me too" policy in the Far East, where England and France were leading the bloody suppression of the Chinese Taiping revolution. Now, a half century later, its fever chart again rising, American capitalism once more turned to beating in the doors of its Latin American neighbors, seizing concessions in the Pacific, and muscling in on the plunder of prostrate China.

What changed this prospect of rising political ferment? What cut off the development of the second American opposition before it could mature?

Wars, hot and cold.

Two world wars, which ruined large parts of rival European powers, brought great prosperity—cheaply—to the United States. Various bush wars and the present cold war have pressed in the same direction. The leftward-moving labor opposition to capitalism has been counteracted and bought off. Enough benefits of economic imperialism and of systematic waste of capitalism's surplus product have filtered down, or have been wrested from Big Business by unions and other interest groups, so that those potentially dissident elements which count have been harnessed to the chariot of the vested interests.

Wars have made it easy to herd would-be critics into conformity by levelling against them the weight of unthinking patriotic emotion and by excommunicating them as "un-American." Today when progressive Americans take part in such movements as nuclear disarmament, they take stands which are usually much too conservative for the crisis at hand. Perhaps they remember past reprisals and their present comfortable jobs. Doubtless they exemplify the isolation of their society—they cannot fully realize the urgency of hungry and hopeful Asians, Africans, and Latin Americans, nor can they grasp the moral callousness of their own society. And is it not also true of other Western nations, England and France in particular, that their left-wing movements have been blunted by sharing some of the benefits of imperialism? One thinks of how the British Labor Party equivocated with colonialism after World War II. One recalls the shameful record of the French Socialists, and the ambivalence of the French Communists toward Algeria.

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Today there is no Left in the United States. There are only left-wing splinters with no apparent prospect of gaining a mass following. In nearly every other Western industrial nation, the political spectrum includes Right, Center, and Left elements—this is the normal state of affairs in late-modern capitalist societies. Socialist or Communist parties, or both, are part of the social landscape in West Germany, France, Italy, England. Even Canada has a small but influential social democratic party.

But the United States has only the two major parties, both dominated by business interests, and both covering about the same Right-to-Center range of the political spectrum. American politics is a complex uneasy compromise among more conservative and less conservative factions of the Right and Center. By means of concessions and piecemeal reforms, the system operates to prevent the emergence of a genuine Left. So effectively has this mechanism worked—given the uniquely favored position of American capitalism in the world situation—that most Americans have no idea of the potentialities afforded by a Left party. They have been conditioned to regard socialism as monstrous. Yet many, if not most, of the basic needs of the United States can be met only by a mass leftist movement committed to socialist reconstruction. That there is no political machinery to express and fulfill those needs is one of the big reasons for believing that the United States may be headed down a one-way, dead-end street.

The table on page 342 shows that the socialist movement reached its peak in the United States before World War I. After 1912 it withered on the vine. Each little spurt of life in 1920, 1932, and 1948 was weaker than the preceding one. By 1956 the socialist vote—seven hundredths of one percent—was as infinitesimal as the prohibition vote. The table also shows that the Communist Party, which took over the leadership of American radicalism in the 1920's when the Socialist Party became hopelessly ossified, never became acclimated to the American scene. The notable contributions of the Communist movement to American life lie in the fields of labor organization and special causes and crusades rather than in the party arena.

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U.S. PRESIDENTIAL VOTES BY MINOR PARTIES, 1892-1956

	Total Popular Vote for President (000)	*Socialist and Socialist Labor Presidential Vote* 000	*% Total Vote*	*Communist Presidential Vote* 000	*% Total Vote*	*Other Independent Parties* 000		*% of Total Votes*
1892	12,044	—	—	—	—	1027	(Populist)	8.5
1896	13,813	36	(SL only) .3	—	—	132		.9
1900	13,965	128	.9	—	—	50		.4
1904	13,524	436	3.2	—	—	115		.9
1908	14,887	435	2.9	—	—	112		.8
1912	15,031	926	6.2	—	—	4126	(Progressive)	27.5
1916	18,528	600	3.2	—	—	46		.2
1920	26,813	927	3.5	—	—	410		1.5
1924	29,091	36	(SL only) .1	36	.12	4848	(La Follette)	16.7
1928	36,812	289	.8	49	.13	46		.1
1932	39,751	918	2.3	103	.26	65		.2
1936	45,647	197	.4	80	.18	1177	(882 Lemke)	2.6
1940	49,820	110	.2	49	.10	472	(417 ALP)	.9
1944	47,976	106	.2	—	—	1012	(496 ALP, 329 Lib)	2.1
1948	48,834	168	.3	—	—	2488	(1169 Sts Rts, 1156 Prog.)	5.1
1952	61,552	50	.08	—	—	335		.5
1956	62,027	42	.07	—	—	623		1.0

(Compiled from *Statistical Abstract of U.S.*, 1957, p. 341)

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The widespread idea that the New Deal regime of the 1930's had a socialist underpinning seems basically false. Whatever may have been its intellectual debt to the Socialist Party platforms of a previous generation, the New Deal was no more than a reform of, and within, the existing institutional framework of capitalism. It performed two services for capitalism: it broadened social security, and it made government spending a permanent and primary channel for disposing of capitalism's surplus product. It was assured of success by a timely and cheap world war.

The figures also indicate that, insofar as capitalist-oriented reform movements have taken the form of third parties, they have steadily decreased in scale since 1912. In that year the Roosevelt Bull Moosers won over one-fourth of the popular presidential vote; in 1924 La Follette got one-sixth; in 1948 the "progressive capitalism" of Henry Wallace drew only a little over two percent. In the last three presidential elections, reactionary splinter parties have actually attracted more votes than reformist splinter groups.

American politics now seem completely monopolized by two slowly fossilizing parties incapable of meeting the demands of the times. But this decline into impotence and inflexibility began, not with the abandonment of the New Deal in the late 1930's, as many progressives imagine. It began with the first World War, which cut off in its infancy a potentially decisive tendency toward the Left.

The external relations of the United States as well as its internal conditions tend to confirm the suspicion that the United States may have "had it."

During the greater part of history the leadership of world social evolution has fallen mainly to the more urbanized societies of the Near East, China, and India. This leadership is now returning to the East. Today's transition from capitalist to socialist industrialism is one of the great divides of history, comparable perhaps to the development of agriculture in prehistoric neolithic times—comparable also to the emergence of city life, writing, and metallurgy centuries later, at the dawn of recorded history.

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The major oppositions in which the United States is now involved are external rather than domestic. They will confirm rather than lessen American isolation. Against outside societies can be mustered the thought-stifling emotion of blind nationalism. The United States has become dangerously separated from the main drift of world civilization. Its chief assets—those unique geographic and historical conditions which nourished it to world power—are now contributing to its undoing.

Many Americans still see their country through the eyes of the "frontier ideologists." The ideology of a frontier Eden, where old-world shackles have been cast aside, was erected on the material foundation of capitalism developing unhampered in the fabulously rich American heartland. Today, America still inclines to see herself both as a departure from, and a lesson to, a decadent Old World. From this viewpoint, the United States can take either of two attitudes toward Eurasia—renunciation or Americanization—"fortress America" or "manifest destiny." During most of American history, have not public policy and opinion fluctuated between those two alternatives?

The frontier ideology expresses the uniqueness and superiority of American civilization as seen by Americans. But the graveyard of history is littered with the shattered claims of "chosen peoples."

Seen from afar, the problem of the United States is neither to escape from the Old World nor to Americanize it. The real task is to relate—peacefully—to the great currents of social regeneration now flooding the Eurasian heartlands—eastern Europe and China today, the Middle East and India and Africa—and, yes, Latin America—tomorrow. This will require a rebuilding of American economic and social institutions, for American institutions are the cause of the disastrous American policies.

It is a measure of the isolation of the United States from reality that its policy-makers still operate as if "fortress America" or "manifest destiny" are practical choices. But it is a measure of the tragedy of the United States that the American people respond to such insanity with indifference—and without opposition.

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WORLD EVENTS

By Scott Nearing

The Yankee Menace

Foreign ministers of the Organization of American States (OAS) met in San José, Costa Rica, in late August. They were called together because of the imperative demand of the United States government that Latin American states take concerted action against the government headed by Fidel Castro of Cuba.

OAS meetings are held whenever issues arise that threaten the peace and security of the Western Hemisphere. The San José meeting which considered the Cuban problem was the seventh conference of OAS foreign ministers.

Policies followed by the Havana government, particularly during the spring and summer of 1960, raised two major issues. The first was Havana's takeover of nearly a billion dollars worth of property located in Cuba but owned by United States corporations. The second issue was the acceptance by the Cuban government of diplomatic, economic, and military aid from Moscow and Peking.

Intervention by foreigners in the affairs of Latin American governments through providing them with arms and money has been a commonplace in recent years. It is a procedure made possible by the wide discrepancy between the wealth and military strength of aid-giver and aid-receiver.

Such a discrepancy has existed in the Western Hemisphere for more than a century because of the rapid increase in United States population, productivity, and military potential. Two centuries ago, the Americans, North and South, were colonial territory, subject to the governments of Spain, Portugal, Holland, France, and Britain. Thirteen North American colonies broke away from Britain in 1776 and formed the United States of North America in 1789. During the next century the greater part of Latin America broke away from European imperial domination and formed a score of independent states, from the tiny republics of Central America to continent-spanning Brazil, with its 3,288,000 square miles of territory and its 63 million inhabitants.

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Only six years after winning their independence from Great Britain, the thirteen North American colonies formed a federation (the United States) which has persisted for almost two hundred years. At no time have the countries of Latin America set up a parallel union. Instead, they have continued as sovereign states, competing with and often in conflict with one another, although their ruling classes had a common cultural background and generally spoke a common language (Spanish).

Collective action in North America and individual go-as-you-please in Latin America speedily created wide differences between the two areas in productivity, wealth, and military potential. The differences led not only to wide variations in capital investments, productivity, and standards of living (the United States becoming fabulously rich while great areas of Latin America remained abysmally poor), but the United States gained a position first of political and later of economic mastery over most of the rest of the Hemisphere.

Political mastery was declared in the Monroe Doctrine of 1823: the United States will regard as an unfriendly act any attempt of a foreign power to expand its foothold in the Americas. It also expressed itself in the Mexican War of 1846-1848 (during which Washington took over from Mexico territory now included in Texas, Arizona, New Mexico, and California) and in the Spanish-American War of 1898 (during which Cuba and Puerto Rico were seized by the armed forces of the United States).

Economic mastery began to make itself felt at the turn of the century as United States business interests with an eye on Latin American land, minerals, and other money-making opportunities, began investing in Cuba, Mexico, and neighboring territory.

United States mastery over Latin America was a one-sided affair. United States governmental agencies and United States big business were not invited to Latin America. They moved in on their initiative, with the diplomatic, political, and (where necessary or appropriate) the military backing of the Washington government. Politically and economically, the United States was *the* big power of the Western Hemisphere, with greater

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wealth, income, and military might than all the other countries of the Hemisphere put together. The Monroe Doctrine was not the result of a joint decision of North and South American governments. It was a declaration made by one government in North America, involving the future of all governments in the Western Hemisphere.

Out of this discrepancy between the power position of the United States and of other parts of the Americas came such phrases as "the colossus of the North" and "the Yankee menace," both of which have been widely current in Latin America.

From this background came the Pan American Union, which for many years had its office in Washington, and the Organization of American States, which has been to date little more than a rubber stamp for Wall Street's interests and Washington's policies. Foreign ministers who went to the San José meeting in August, 1960, expected that they would be whipped into line and compelled once again to accept and follow United States policy.

Their Master's Voice

An hour before the conference of OAS foreign ministers opened in San José on August 22, the United States delegation distributed a supplemental paper on Cuba and Communism, which established the line that the Latin American foreign ministers were expected to follow (text in *The New York Times* of August 22nd).

The memorandum charged: "(1) Cuba is establishing a training program for Communist agents and guerillas to spread the Communist revolution through Latin America. . . . (2) The Cuban Government has opened the assault on the remaining vestiges of individual liberty in Cuba—religious freedom." The memorandum also accused Cuba of establishing a "Cane Curtain" to isolate the Cuban people from the outside world.

Describing this episode, the *New York Times* correspondent in San José wrote: "The United States document came as a complete surprise to Latin American delegates, who had hoped for a quiet beginning of what loomed as one of the most difficult parleys in inter-American history. . . . It appeared that the United States had resolved to submit its charges at the moment

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the Conference opened here to warn Latin America of the dangers of subversion against its governments emanating from Cuba."

Diplomatic Double-Talk

Colombia's Foreign Minister Julio Cesar Turbay Ayala was elected Chairman of the Conference. Señor Turbay accepted the thorny job after a number of nominees had declined.

Like other Latin Americans who accepted official positions at the San José Conference, Señor Turbay faced a tough dilemma. As a Latin American he recognized the gravity of the Yankee menace. As a leading OAS official he realized that a strong State Department team had been sent to San José with instructions to put through a sharp condemnation of Communism and a vigorous denunciation of Cuba's Castro government.

Minister Turbay began his address by noting that the Colombian government was sympathetic to the purposes and achievements of the Cuban Revolution. "In my country we all respect the legitimate right of the Cuban government to carry out, within the jurisdiction of that state, such social, juridical, and economic reforms as it believes necessary to serve the interests of the people. Colombia is not unaware that the entire continent is showing signs of a trend toward political reform and a decision to fight . . . the adverse social conditions that . . . oppressed the American nations. . . . I venture to assume that similar feelings of solidarity and support for the precepts of the Cuban Revolution must have spread throughout the hemisphere." (*New York Times,* August 24.)

But "no nation in this hemisphere needs the political or military help of an extra-continental power in order to protect its independence and its sovereignty." Soviet aid to Cuba has destroyed "American sympathy for the Cuban Government. . . . Our legal system does not admit the possibility that a foreign power establish itself as arbiter of the peace in regional controversies or as the professional protector of any American government. Such a situation runs counter to our convictions, to our international commitments, to the nature and the democratic essence of our organization, and to the historical destiny of America."

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Having met the demands of Colombian public opinion, Señor Turbay felt free to rationalize the condemnation of Cuba in legal terms.

Defending the American Way of Life

Secretary of State Herter, addressing the San José Conference on August 24th, spelled out United States charges against Cuba and called upon the foreign ministers present to rally behind the American way of life.

"An urgent challenge faces the inter-American system," he said. "This is Sino-Soviet imperialism." This conference must decide "whether or not the institution in the Western Hemisphere of a Communist regime in any one of the American republics constitutes in effect foreign intervention." "The leaders of the Soviet Union and Communist China have made abundantly clear their determination to exploit the situation in Cuba as a means of intervening in inter-American affairs." (*New York Times,* August 25.)

Experience during the past 43 years shows that "once a Communist regime is installed that country loses its political personality and its freedom of action in democracy." Any Communist regime established in any of the American republics "would, in effect, constitute a foreign intervention in the Americas." It would lead to the loss of that country's independence of action in foreign affairs and would provide "an operational base for the propagation of Communist ideas; for infiltration, subversion, and interference in the internal affairs of all the Americas."

Secretary Herter then advanced six arguments to prove that the Cuban government is heading away from the established American belief in the dignity of man, fundamental human rights and freedoms and representative democracy, and toward twentieth-century Communism.

Secretary Herter then noted that under the Declaration of Santiago, adopted by the OAS in 1959, seven principles were accepted as basic to the American way of life: the rule of law, free elections, a time limit on the exercise of political authority, individual freedom and social justice, human rights based on judicial procedures, the prohibition of political proscription, and

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freedom of information and expression. In all seven respects, Mr. Herter insisted, the present Cuban government has been guilty of the perversion of democratic political purposes. "The violations of human rights and the failure to apply the principles of representative democracy in Cuba" are contributing to international tensions in the Caribbean area and promoting the purposes of the Sino-Soviet powers. This is "a challenge not only to the basic principles and objectives of the inter-American system, but to the very security of our twenty-one republics." Secretary Herter concluded: "We should vigorously condemn Soviet and other Communist intervention in our affairs, and clearly indicate our great concern over Cuba's toleration and encouragement of such intervention."

Rubber Stamps Wear Out

Rubber stamps, like other bits of office equipment, eventually wear out. Through generations of dollar diplomacy, in League of Nations and United Nations controversies, in OAS meetings and other international gatherings, representatives of Latin American governments have responded to Washington's proddings and arm-twistings by lining up under the watchful eyes of State Department hatchet-men and voting a straight ticket. San José saw the act repeated, but with a striking difference. Latin American representatives in San José stalled for days before they would consent to vote. When no further delay was possible and the signing of the "Declaration of San José" was in order, the Latin Americans faced the ordeal "with heavy hearts." (*New York Times,* August 30.) The story continued: "They were reluctant to act against a Latin American republic whose revolution still commands considerable sympathy in their countries."

Secretary Herter and his colleagues had a rough time at San José. The Cuban-sponsored resolution condemning the United States government for aggression against Cuba was voted down 18 to 1 in the customary manner. (Cuba cast the dissenting ballot.) When it came to the final resolution, the Declaration of San José, there was no such unanimity.

The Declaration of San José (1) condemns intervention by an extra-continental power in the affairs of the American re-

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publics; (2) rejects "the attempt of the Sino-Soviet powers to make use of the political, economic or social situation of any American state"; (3) "reaffirms the principles of non-intervention by any American state in the internal or external affairs of the other American states. . . . No American state may intervene for the purpose of imposing upon another American state its ideology or political, economic, or social principles; (4) rejects totalitarianism and calls for reliance upon democratic practices; (5) proclaims that all American states are bound by the discipline of the inter-American system.

This was not the forthright declaration that Secretary Herter had so insistently demanded. Communism was not denounced in the first clause, nor was Cuba singled out by name in the second clause. The third clause came close to being a slap at the United States for its current campaign against the Cuban Revolution. After days of public speeches and wrangling behind closed doors, this was the utmost that the American delegation could get from its heel-dragging Latin American associates.

Editorially, under the heading "Post-Mortem on San José," the *New York Times* (September 1) referred to the outcome as "a hard won victory" which was having "disturbing" after-effects. "At San José," the *Times* editors wrote, "Secretary Herter and his assistants had to use considerable influence" to win support for the Declaration as finally drafted. The *Times* editorial added: "Soviet Foreign Minister Gromyko's statement in Moscow on Tuesday that it is the United States, not the Soviet Union that is intervening in Cuba was, as propaganda, a shrewd thrust."

Latin American votes on international issues can no longer be delivered by Washington in a sealed briefcase. Latin American countries, like so many of their opposite numbers in Asia and Africa, are beginning to paddle their own canoes. We agree with the editorial comment in the *New York Times* of September 1st that Washington is facing "problems of the first magnitude on the Cuban issue." We might add that these problems extend far beyond the Western Hemisphere.

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(*continued from inside front cover*)
30 newspapers, sales of MR Press book *The Jazz Scene,* by Francis Newton, have gone up spectacularly. And library orders increased markedly after a highly laudatory notice in *The Library Journal* which said: "A book about jazz characterized by objectivity, reasonableness and fine prose is somewhat uncommon in our time. . . . Mr. Newton's emphasis, laudably, is on the why and what of history, not on its who, when and where. . . . The illustrations are good. The book, in toto, is highly recommended." Maybe some of you who thought a book on jazz wasn't for you should think again.

We have no intention of devoting any of MR's space to the present boring and meaningless election campaign. The appropriate comment comes from a source we don't often see eye to eye with, Lucius Beebe in his August 1 column in the *San Francisco Chronicle* entitled "A Choice of Jerks." But Mr. Beebe is perhaps a little over-optimistic when he writes:

> The electorate has come to realize that, in order to be a candidate, an aspirant for presidential honors must be a congenital liar and that he cannot, and has no intention of delivering a thousandth part of his campaign promises. The voters also know damned well that whomever they vote for and whomever they may elect, they will be taxed more ruinously, rooked more grievously, lose more of their liberties and support more trash in government offices than before. Wised up by 30 years of continuous short-changing and repudiation of currency, the American people know pretty well that the enemy is Washington as well as Moscow. (Quoted from the *Weekly People,* September 17.)

If the American people were all that wised up, there would be a massive abstention from voting in the presidential election and the beginnings of new political organizations shortly after. We fear that the wising up process will take considerably longer.

Beginning on January 1, 1961, the sub rate to MR will go up from $4 to $5 a year, while the newsstand price will rise from 35¢ to 50¢. No matter when your present sub expires, however, you can renew at the old rate for as many years ahead as you like, provided only that you act before January 1. (Remember that joining the Associates automatically renews your sub.)

We asked you last month to make a special effort to sell new subs beginning with the Cuba issue, of which we saved several hundred for precisely this reason. The response has been excellent, and you will be glad to know that MR circulation has reached a new high by a considerable margin. We still have a supply of the Cuba issue in stock and urge you to take advantage of the opportunities offered by the coming of autumn to continue, and indeed step up, the sale of "Cuba issue subs."

Some readers have asked for more material on Africa. We are well aware of the need and are working on ways and means of meeting it. But getting the kind of information and articles we want, and think it should be MR's function to provide, is not, and will not be, easy.

Monthly Review Associates is joining with the New York Chapter of *The Fair Play For Cuba Committee* in sponsoring a big public rally on Cuba on Thursday, October 20. The speakers will include Carleton Beals, I. F. Stone, and Leo Huberman (for full details see page 352). Be sure to attend, and bring your friends. Members of MR Associates will be admitted free on presentation of their membership cards. (Have *you* joined the Associates yet?)

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